Buyang International Holding Inc
步陽國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2457)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	**Changes**
	(RMB'000)	*(RMB'000)*	
Revenue	**197,101**	172,725	14.1%
Gross profit	**17,804**	21,221	(16.1)%
(Loss)/Profit before taxation	**(2,878)**	6,701	(142.9)%
(Loss)/Profit for the period	**(968)**	5,947	(116.3)%
Total comprehensive income for the period	**(1,567)**	5,681	(127.6)%
(Loss)/Earnings per share (basic and diluted) *(RMB)*	**(0.001)**	0.006	(116.7)%

The board (the "**Board**") of directors (the "**Directors**") of Buyang International Holding Inc (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**", "**we**", "**us**" or "**our**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with the comparative figures for the six months ended 30 June 2025. The unaudited condensed consolidated financial information for the Reporting Period has been reviewed by the audit committee of the Board (the "**Audit Committee**").

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.

Our revenue increased to approximately RMB197.1 million for the six months ended 30 June 2026 as compared to approximately RMB172.7 million for the six months ended 30 June 2025.

Our loss for the six months ended 30 June 2026 was approximately RMB1.0 million, representing a decrease from a profit of approximately RMB5.9 million for the six months ended 30 June 2025 and our net profit margin turned negative, decreasing from 3.44% for the six months ended 30 June 2025 to (0.49)% for the six months ended 30 June 2026.

Our total comprehensive income turned negative, decreasing to approximately RMB(1.6) million for the six months ended 30 June 2026 as compared to approximately RMB5.7 million for the six months ended 30 June 2025.

Basic and diluted loss per share for the six months ended 30 June 2026 were approximately RMB0.001, representing a decrease of 116.7% as compared to basic and diluted earnings per share for the six months ended 30 June 2025 of approximately RMB0.006.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2026 — unaudited
*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**197,101**	172,725
Cost of sales		**(179,297)**	(151,504)
Gross profit		**17,804**	21,221
Other revenue	*4(a)*	**496**	652
Other net (loss)/gain	*4(b)*	**(3,091)**	238
Selling and distribution expenses		**(4,655)**	(4,562)
Administrative and other operating expenses		**(5,663)**	(5,646)
Research and development costs		**(8,994)**	(6,850)
Impairment loss on trade receivables		**(606)**	(214)
(Loss)/Profit from operations		**(4,709)**	4,839
Finance income		**1,991**	2,037
Finance costs		**(160)**	(175)
Net finance income	*5(a)*	**1,831**	1,862
(Loss)/Profit before taxation	*5*	**(2,878)**	6,701
Income tax credit/(expense)	*6*	**1,910**	(754)
(Loss)/Profit for the period		**(968)**	5,947

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
(Loss)/Profit for the period		**(968)**	5,947
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Exchange difference on translation of financial statements of the Company		**(3,706)**	(1,528)
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of the Company's subsidiaries outside Chinese mainland		**3,107**	1,262
Other comprehensive income for the period		**(599)**	(266)
Total comprehensive income for the period		**(1,567)**	5,681
(Loss)/Earnings per share			
Basic and diluted *(RMB)*	*7*	**(0.001)**	0.006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 — unaudited
(Expressed in RMB)

	Note	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**62,404**	62,713
Right-of-use assets		**14,121**	14,484
Deferred tax assets		**4,104**	1,322
Prepayments		**3,270**	698
		83,899	79,217
Current assets			
Inventories	*9*	**110,507**	94,041
Trade and other receivables	*10*	**90,326**	72,008
A loan provided to a related party	*11*	**—**	14,596
Income tax recoverable		**—**	2,062
Financial assets measured at fair value through other comprehensive income ("**FVOCI**")	*12*	**60,223**	—
Time deposits		**50,123**	120,968
Pledged deposits		**24,851**	17,877
Cash and cash equivalents		**89,303**	106,058
		425,333	427,610
Current liabilities			
Trade and other payables	*13*	**85,378**	80,046
Contract liabilities		**4,668**	5,211
Lease liabilities		**548**	532
		90,594	85,789
Net current assets		**334,739**	341,821
Total assets less current liabilities		**418,638**	421,038

	Note	**30 June 2026** *RMB'000*	31 December 2025 *RMB'000*
Non-current liabilities			
Lease liabilities		**4,903**	5,616
Deferred income		**905**	1,025
Deferred tax liabilities		**3,292**	3,292
		9,100	9,933
NET ASSETS		**409,538**	411,105
CAPITAL AND RESERVES			
Share capital		**6,952**	6,952
Reserves		**402,586**	404,153
TOTAL EQUITY		**409,538**	411,105

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

Buyang International Holding Inc (the "**Company**") was incorporated in the Cayman Islands on 14 November 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 December 2022 (the "**Listing**"). The Company and its subsidiaries (together referred to as the "**Group**") is principally engaged in the development, manufacturing and sales of a broad range of aluminium alloy wheels for automobiles.

The interim financial information of the Company as at and for the six months ended 30 June 2026 comprises the Company and its subsidiaries. The interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the manufacturing and sales of a broad range of aluminium alloy wheels for automobiles. The Group's revenue from contracts with customers were recognised at point in time for the reporting period.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Sales of aluminium alloy wheels	**188,919**	167,293
Sales of others	**8,182**	5,432
	197,101	172,725

Disaggregation of revenue from contracts with customers by continent of delivery is disclosed in Note 3(b)(i).

(ii) The Group's customers with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2026 and 2025 are set out below:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Customer A	**22,439**	*

* Transactions with this customer did not exceed 10% of the Group's revenue for the six months ended 30 June 2025.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by geography. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no segment information is presented.

Geographical information

(i) Revenue from external customers by continent of delivery

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Asia	**87,308**	91,313
Europe	**27,172**	28,806
America	**75,343**	43,707
Africa	**4,191**	5,661
Oceania	**3,087**	3,238
	197,101	172,725

(ii) Non-current assets

The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is provided.

4 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Government grants	**221**	368
Rentals receivable from operating leases, other than those relating to investment property	**275**	275
Others	**—**	9
	496	652

(b) Other net (loss)/gain

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net loss on disposal of property, plant and equipment	**(3)**	(387)
Net foreign exchange (loss)/gain	**(3,088)**	625
	(3,091)	238

5 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income on bank deposits	**(1,574)**	(1,599)
Interest income on a loan to a related party	**(417)**	(438)
Interest expense on lease liabilities	**160**	175
Net finance income	**(1,831)**	(1,862)

(b) Staff costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries and other benefits	**25,574**	23,117
Contributions to defined contribution scheme *(Note)*	**2,204**	1,564
	27,778	24,681

Note: The Group's subsidiaries in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated based on certain percentages of the prevailing average salary as agreed by the local municipal government to the schemes to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits beyond the contributions described above.

(c) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories* *(Note 9(b))*	**179,297**	151,504
Depreciation		
— Property, plant and equipment	**6,364**	6,152
— Right-of-use assets	**363**	363
Amortisation of intangible assets	**—**	7
Impairment loss on trade receivables	**606**	214
Research and development costs**	**8,994**	6,850

* Cost of inventories include RMB24,391,000 relating to staff costs and depreciation expenses for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB22,964,000), which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

** Research and development costs include RMB3,671,000 relating to staff costs and depreciation expenses for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB3,363,000), which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

6 INCOME TAX (CREDIT)/EXPENSES

Income tax (credit)/expenses in the consolidated statement of profit or loss and other comprehensive income represents

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
PRC corporate income tax	**—**	53
Under-provision in respect of prior years	**872**	—
Deferred tax		
Origination and reversal of temporary differences	**(2,782)**	6
Withholding tax on the profits of the Group's PRC subsidiaries	**—**	695
	(1,910)	754

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

(ii) The applicable profits tax rate of the Group's subsidiary incorporated in Hong Kong was 16.5%. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(iii) The Group's PRC subsidiary is subject to PRC income tax at 25%. According to the relevant PRC income tax law, certain research and development costs of PRC subsidiaries are qualified for 100% additional deduction for tax purpose.

(iv) According to the Implementation Rules of the Corporate Income tax Law of the PRC, the Company's subsidiaries in the PRC are levied a 10% withholding tax on dividends declared to their foreign investment holding company arising from profit earned subsequent to 1 January 2008. Buyang (Hong Kong) Limited, a subsidiary of the Company, is subject to PRC dividend withholding tax at 10% on dividends receivables from the PRC subsidiaries.

As at 30 June 2026, deferred tax liabilities of RMB3,292,000 were recognised in respect of the 10% PRC dividend withholding tax that would be payable on the distribution of the retained profits of the Group's PRC subsidiaries (31 December 2025: RMB3,292,000).

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB968,000 (six months ended 30 June 2025: profit of RMB5,947,000) and the weighted average of 1,000,000,000 ordinary shares (six months ended 30 June 2025: 1,000,000,000 ordinary shares) in issue during the interim period.

There were no dilutive potential ordinary shares outstanding for the six months ended 30 June 2026 and 2025. Therefore, the diluted loss per share and diluted earnings per share are the same as their respective basic amounts for the corresponding periods.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of machinery equipment, moulds, electronic and other equipment with a cost of RMB6,088,000 (six months ended 30 June 2025: RMB5,594,000).

Items of machinery equipment, moulds, electronic and other equipment with a net book value of RMB33,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB729,000), resulting in a net loss on disposal of RMB3,000 (six months ended 30 June 2025: RMB387,000).

9 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Raw materials	**19,960**	16,409
Work in progress	**22,106**	17,604
Finished goods	**67,631**	59,243
Others	**810**	785
	110,507	94,041

(b) The analysis of the amount of inventories recognised as expenses and included in profit or loss are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Carrying amount of inventories sold	**178,562**	151,198
Write-down of inventories	**735**	306
	179,297	151,504

10 TRADE AND OTHER RECEIVABLES

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade receivables		
— Third parties	**78,645**	60,965
Bills receivable	**5,941**	5,738
Less: Loss allowance for trade and bills receivable	**(1,246)**	(640)
Financial assets measured at amortised cost	**83,340**	66,063
Value-added tax recoverable and others	**1,614**	1,241
Prepayments	**5,372**	4,704
	90,326	72,008

Ageing analysis of trade and bills receivables

As at the end of each reporting period, the ageing analysis of trade and bills receivables based on the date of revenue recognition and net of loss allowance is as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Within 3 months	**76,021**	61,320
Over 3 months but within 6 months	**6,692**	4,572
Over 6 months but within 12 months	**627**	171
	83,340	66,063

11 A LOAN PROVIDED TO A RELATED PARTY

On 8 May 2023, the Company lent a three-year loan to Topsun Investment Holding Company Limited ("**Topsun**") of HKD16,000,000 with an annual interest rate of 6%, guaranteed by controlling shareholder Mr. Xu Buyun.

As at 31 December 2025, the gross loan provided to Topsun Investment Holding Company Limited amounted to RMB14,596,000 including the principal of HKD16,000,000 (equivalent to approximately RMB14,451,000) and corresponding interests receivable of HKD160,000 (equivalent to approximately RMB145,000).

On 5 May 2026, Topsun fully repaid the outstanding principal and all accrued interest.

12 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Negotiable certificates of deposit with bank	**60,223**	—

The Group invested in certain negotiable certificates of deposit with bank in the PRC. The negotiable certificates of deposit were transferable and carried at fixed interest rates ranging from 1.30% to 1.40% per annum. The Directors of the Group determine such negotiable certificates of deposit are mainly for the purpose of short-term fund management to collect contractual payments, which could also be sold in the secondary market within one year, depending on the cash needs. Therefore, these negotiable certifications of deposit are classified as current financial assets measured at FVOCI.

13 TRADE AND OTHER PAYABLES

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Trade payables		
— Third parties	**30,607**	34,644
— Related parties	**6,118**	1,078
Bills payable	**24,851**	17,877
	61,576	53,599
Other payables and accruals	**15,983**	14,857
Financial liabilities measured at amortised cost	**77,559**	68,456
Accrued payroll and other benefits	**7,360**	11,191
Other taxes and charges payable	**459**	399
	85,378	80,046

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Within 3 months	**45,776**	37,169
Over 3 months but within 6 months	**15,039**	15,812
Over 6 months but within 12 months	**397**	112
Over 12 months	**364**	506
	61,576	53,599

14 DIVIDENDS

The Directors of the Company has resolved not to declare any interim dividend in respect of the period for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

15 COMMITMENTS

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report were as follows:

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Purchase of property, plant and equipment:		
Contracted for	**4,506**	2,700

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are an aluminum alloy automobile wheel manufacturer focusing on the aftermarket which is the market for parts and accessories used in the repair or maintenance of an automobile. We manufacture and sell different types of aluminum alloy automobile wheels to our customers.

We are pleased to announce that for the six months ended 30 June 2026, we have achieved solid results and further expanded our overall competitive advantages.

For the six months ended 30 June 2026, we generated approximately RMB39.4 million, RMB130.0 million and RMB19.5 million of our total revenue from the sale of small, medium and large aluminum alloy automobile wheels, respectively, and sold over 504.3 thousand aluminum alloy automobile wheels to the customers.

For the six months ended 30 June 2026, we generated 95.85% of our total revenue from the sales of aluminum alloy automobile wheels, approximately 29.75% and 70.25% of our total revenue from the sales of aluminum alloy automobile wheels were to the domestic and overseas markets, respectively, and we sold over 504.3 thousand aluminum alloy automobile wheels to customers, of which approximately 330.9 thousand were sold to the overseas markets.

During the six months ended 30 June 2026, our revenue increased from approximately RMB172.7 million during the corresponding period in 2025 to approximately RMB197.1 million, our profit for the period decreased from a profit of RMB5.9 million in the same period of 2025 to a loss of RMB1.0 million for the six months ended 30 June 2026.

Throughout the first half of 2026, we remained dedicated to the ongoing development and research of new products. As a result, we successfully developed a total of 166 new products during Reporting Period.

Business Model

We are primarily engaged in the research and development, design, production and sales of aluminum alloy automobile wheels to domestic and overseas customers who purchase our branded and non-branded products. We cooperate closely with our customers to provide them with high quality products which are tailor-made to their specifications and budgets in a timely manner.

Our top five customers in terms of revenue during the Reporting Period were wholesale traders and after-sales retailers in the aftermarket. During the Reporting Period, we made consistent effort to expand our sales in overseas market.

Our customers are mainly aluminum alloy automobile wheel wholesale traders and retailers in the aftermarket. We had 83 customers located in the PRC and had 79 customers located in overseas countries and territories for the six months ended 30 June 2026.

Our products are mainly categorized by size, in particular the diameter of the aluminum alloy automobile wheels. The table below sets forth details of our products by type.

Type	**Diameter**	**Main utilization**
Small	12–16 inches	Subcompact and compact car
Medium	17–20 inches	Mid-size and large car and sports utility vehicle
Large	21–26 inches	Full-size sports utility vehicle and pickup truck

We generally design and produce aluminum alloy automobile wheels with a wide variety of elements, including size, design and color pursuant to customers' specific requirements and specifications. We also periodically offer our own designs to our customers based on our knowledge of contemporary market trends.

The following table sets forth our revenue by sizes of aluminum alloy automobile wheel, in absolute amount and as a percentage of total revenue derived from sales of aluminum alloy automobile wheels, for the six months ended 30 June 2026 and 2025:

	The six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Small	**39,442**	**20.88%**	35,612	21.29%
Medium	**129,971**	**68.80%**	118,416	70.78%
Large	**19,506**	**10.32%**	13,265	7.93%
Total sales of aluminum alloy automobile wheel	**188,919**	**100.00%**	167,293	100.00%

Prospects

In the second half of 2026, our focus will persist on expanding into new markets and acquiring new customers, while also maintaining proactive communication with our existing customers. With a strong sense of confidence in our management, we are optimistic about the future growth prospects of our business.

Notwithstanding the uncertainties in the industry and the overall competitive business environment, the Group will continue to be committed to implementing the business strategies.

Financial Review

Revenue

The Group's revenue increased by approximately 14.1% from approximately RMB172.7 million for the six months ended 30 June 2025 to approximately RMB197.1 million for the six months ended 30 June 2026, mainly due to the increased sales in the US market.

Sales volume of aluminum alloy automobile wheel

Our total revenue from the sale of aluminum alloy automobile wheels increased by approximately 12.9% from approximately RMB167.3 million for the six months ended 30 June 2025 to approximately RMB188.9 million for the six months ended 30 June 2026, mainly due to an increase in sales orders received by the Group as a result of the recovery in the US market.

Sales of other products

Our total revenue from the sale of other products for the six months ended 30 June 2026 was approximately RMB8.2 million, compared to approximately RMB5.4 million for the six months ended 30 June 2025, mainly due to a combination of increased sales volume of scraps and the rise in the unit selling price.

Sales by geographic market

The majority of our revenue is generated from overseas markets. During the Reporting Period, revenue from sales in overseas markets accounted for approximately 67.34% of total revenue. Revenue from sales in overseas markets increased by approximately 17.97% from approximately RMB112.5 million for the six months ended 30 June 2025 to approximately RMB132.7 million for the six months ended 30 June 2026. Our revenue from Asia decreased by approximately 4.4% from approximately RMB91.3 million for the six months ended 30 June 2025 to approximately RMB87.3 million for the six months ended 30 June 2026. Our revenue from America increased by approximately 72.4% from approximately RMB43.7 million for the six months ended 30 June 2025 to approximately RMB75.3 million for the six months ended 30 June 2026. Our revenue from Europe decreased by approximately 5.7% from approximately RMB28.8 million for the six months ended 30 June 2025 to approximately RMB27.2 million for the six months ended 30 June 2026. Our revenue from Africa decreased by approximately 26.0% from approximately RMB5.7 million for the six months ended 30 June 2025 to approximately RMB4.2 million for the six months ended 30 June 2026. Our revenue from Oceania decreased by approximately 4.7% from approximately RMB3.2 million for the six months ended 30 June 2025 to approximately RMB3.1 million for the six months ended 30 June 2026.

Cost of Sales

Our cost of sales increased by approximately 18.3% from approximately RMB151.5 million for the six months ended 30 June 2025 to approximately RMB179.3 million for the six months ended 30 June 2026, which is in line with the increase in revenue.

Gross Profit and Gross Profit Margin

Our gross profit decreased by approximately 16.1% from approximately RMB21.2 million for the six months ended 30 June 2025 to approximately RMB17.8 million for the six months ended 30 June 2026, primarily due to the increase in costs.

Our gross profit margin was approximately 9.0% for the six months ended 30 June 2026, representing a decrease as compared to gross profit margin of approximately 12.29% for the six months ended 30 June 2025, mainly because of the increase in raw material prices.

Other Revenue

Our other revenue mainly consisted of government grants and rentals receivable from operating leases, other than those relating to investment property. Such government grants included financial subsidies related to various aspects of our operations, which were granted by local government authorities in the PRC.

Our other revenue decreased by approximately 23.9% from approximately RMB0.7 million for the six months ended 30 June 2025 to approximately RMB0.5 million for the six months ended 30 June 2026.

Other Net (Loss)/Gain

We had other net loss of approximately RMB3.1 million for the six months ended 30 June 2026, as compared to other net gain of approximately RMB0.2 million for the same period in 2025. Our other net loss primarily included net exchange loss, which were primarily attributable to translation of our trade and other receivables and cash at bank denominated in U.S. dollar into RMB. The fluctuation was align with the exchange rate and our overseas business scale.

Selling and Distribution Expenses

Our selling and distribution expenses remained relatively stable, increasing slightly by approximately 2.0% from RMB4.6 million for the six months ended 30 June 2025 to approximately RMB4.7 million for the six months ended 30 June 2026.

Administrative and Other Operating Expenses

Our administrative and other operating expenses remained relatively stable, increasing by approximately 0.3% from approximately RMB5.6 million for the six months ended 30 June 2025 to approximately RMB5.7 million for the six months ended 30 June 2026.

Research and Development Costs

We recorded research and development costs increased by approximately 31.3% from approximately RMB6.9 million for the six months ended 30 June 2025 to approximately RMB9.0 million for the six months ended 30 June 2026, mainly due to the Company's increased investment in research and development of new products.

Net Finance Income

The Group's net finance income remained relatively stable, decreasing by approximately 1.7% from approximately RMB1.9 million for the six months ended 30 June 2025 to approximately RMB1.8 million for the six months ended 30 June 2026.

(Loss)/Profit Before Taxation

As a result of the foregoing, our loss before taxation for the six months ended 30 June 2026 amounted to approximately RMB2.9 million, representing a decrease of approximately 142.9% as compared to the profit before taxation of approximately RMB6.7 million for the same period in 2025.

Income Tax Credit/(Expense)

Our income tax credit/(expense) decreased by approximately 353.3% from approximately RMB0.8 million (income tax expense) for the six months ended 30 June 2025 to approximately RMB1.9 million (income tax credit) for the six months ended 30 June 2026, primarily in line with the change in profit/loss before taxation, and affected by the additional deduction for research and development costs.

(Loss)/Profit for the Period

For the six months ended 30 June 2026, our loss for the period amounted to approximately RMB1.0 million, representing a decrease of approximately 116.3% as compared to the profit of approximately RMB5.9 million for the six months ended 30 June 2025. Our net profit margin for the period turned negative, decreasing from approximately 3.44% for the six months ended 30 June 2025 to approximately (0.5)% for the six months ended 30 June 2026.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Our total assets increased by approximately 0.5% from approximately RMB506.8 million as of 31 December 2025 to approximately RMB509.2 million as of 30 June 2026. Total liabilities increased by approximately 4.1% from approximately RMB95.7 million as of 31 December 2025 to approximately RMB99.7 million as of 30 June 2026.

As at 30 June 2026, current assets amounted to approximately RMB425.3 million, representing a decrease of approximately 0.5% from approximately RMB427.6 million as at 31 December 2025, which remained relatively stable. Of which, inventories were approximately RMB110.5 million (31 December 2025: approximately RMB94.0 million); trade and other receivables were approximately RMB90.3 million (31 December 2025: approximately RMB72.0 million); pledged deposits were approximately RMB24.9 million (31 December 2025: approximately RMB17.9 million); a loan provided to a related party (current portion) was nil (31 December 2025: approximately RMB14.6 million); financial assets measured at fair value through other comprehensive income were approximately RMB60.2 million (31 December 2025: approximately nil); cash and cash equivalents were approximately RMB89.3 million (31 December 2025: approximately RMB106.0 million); the income tax recoverable was nil (31 December 2025: approximately RMB2.1 million) and time deposits were approximately RMB50.1 million (31 December 2025: approximately RMB121.0 million).

As at 30 June 2026, current liabilities amounted to approximately RMB90.6 million (31 December 2025: approximately RMB85.8 million); trade and other payables amounted to approximately RMB85.4 million (31 December 2025: approximately RMB80.0 million); contract liabilities amounted to approximately RMB4.7 million (31 December 2025: approximately RMB5.2 million); lease liabilities of approximately RMB0.5 million (31 December 2025: approximately RMB0.5 million). Non-current liabilities amounted to approximately RMB9.1 million (31 December 2025: approximately RMB9.9 million).

Inventories

As at 30 June 2026, our inventories amounted to approximately RMB110.5 million, representing an increase of approximately 17.5% from approximately RMB94.0 million as of 31 December 2025, mainly due to the production and procurement of inventory for sales orders obtained.

Trade and other receivables

Our trade and other receivables was approximately RMB90.3 million as at 30 June 2026 as compared to approximately RMB72.0 million as of 31 December 2025, mainly due to an increase in overall income during the Reporting Period.

Cash and Cash Equivalents

The Group continued to maintain a strong financial position. As of 30 June 2026, our cash and cash equivalents amounted to approximately RMB89.3 million, representing a decrease of approximately 15.8% from approximately RMB106.1 million as of 31 December 2025, mainly due to an increase in raw material purchases.

Funding and Treasury Policy

The Group's funding and finance policy aims to maintain stable financial position and mitigate financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Trade and other payables

Our trade and other payables increased by approximately 6.7% from approximately RMB80.0 million as of 31 December 2025 to approximately RMB85.4 million as of 30 June 2026, mainly due to an increase in inventory purchases.

Borrowings

As of 30 June 2026, the bank loans of the Group was nil (31 December 2025: nil).

Gearing Ratio

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) decreased from 1.5% as of 31 December 2025 to 1.3% as of 30 June 2026.

Capital Structure

As at the date of this announcement, the issued share capital of the Company was US$1.0 million, comprising 1,000,000,000 shares of nominal value of US$0.001 per share.

Working Capital

As at 30 June 2026, our net current assets amounted to approximately RMB334.7 million (31 December 2025: approximately RMB341.8 million). Our current assets principally consist of inventories, trade and other receivables, financial assets measured at fair value through other comprehensive income, time deposits, cash and cash equivalents and pledged deposits. Our current liabilities principally consist of trade and other payables, contract liabilities and lease liabilities.

Capital Expenditures

As at 30 June 2026, we incurred and settled capital expenditure, mainly comprising expenditure on property, plant and equipment and intangible assets, of approximately RMB9.9 million (six months ended 30 June 2025: approximately RMB13.5 million), mainly for the construction in progress of the Group.

Capital Commitments

As of 30 June 2026, our capital commitments for purchase of property, plant and equipment amounted to approximately RMB4.5 million (31 December 2025: approximately RMB2.7 million).

Pledge of Assets

As of 30 June 2026, we had collateral deposits of RMB24.9 million (31 December 2025: approximately RMB17.9 million), which mainly consist of deposits for the issuance of bank acceptance notes. The pledged deposits will be released upon settlement of the relevant bank acceptance notes by the Group.

Contingent Liabilities

During the Reporting Period, we did not have any material contingent liabilities.

Significant Investments Held

During the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as of 30 June 2026).

Material Acquisitions and Disposals of Subsidiaries and Associates

During the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries or associates.

Future Plans for Major Investments and Capital Assets

During the Reporting Period, save as disclosed in the paragraph headed "Use of Net Proceeds from Global Offering" below, the Group has no specific plans for major investments or acquisitions of major capital assets or other businesses.

Risk factors and risk management

We are exposed to various types of financial risk in the ordinary course of business, including market risk (consisting of currency risk and interest rate risk), credit risk and liquidity risk.

1. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risks are primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, time deposits, pledged deposits and bills receivable is limited because the counterparties are banks, for which the Group considers its credit risk to be low. In respect of other receivables and loans provided to related parties, the Group has assessed that the expected credit loss rate for these receivables is immaterial and no loss allowance provision for these receivables was recognised during the Reporting Period. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Our exposure to credit risks is influenced mainly by the individual characteristics of each customer or debtor rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers or debtors. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are mostly due from the date of revenue recognition. Normally, we do not obtain collateral from customers.

In respect of trade receivables, we measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("**ECLs**"), which is calculated using a provision matrix and individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. For the provision matrix method, as our historical credit loss experience do not indicate significantly different loss patterns for different customer segments, the loss allowance based on ageing information which is analyzed based on the date of revenue recognition is not further distinguished between our different customer bases.

2. Liquidity Risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

3. Interest Rate Risk

The Group's interest-bearing financial instruments at variable rates are the cash at bank as at the relevant period. The cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. The Group's interest-bearing financial instruments at fixed interest rates are time deposits, pledged deposits and lease liabilities as at 30 June 2026 that is measured at amortized cost, and the change of market interest rate does not materially expose the Group to fair value interest risk. Overall speaking, the Group's exposure to interest rate risk is not significant.

4. *Currency Risk*

The Group is exposed to currency risk primarily through sales which give rise to receivables and cash balances that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currency giving rise to this risk is primarily United States dollars. During the six months ended 30 June 2026, the Group did not use any derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business. The Group manages its foreign currency risk by closely monitoring the fluctuation of foreign currency rates.

Human Resources and Remuneration Policy

The number of employees of the Group was 517 as of 30 June 2026 (487 as of 30 June 2025). The total staff costs for the Reporting Period was approximately RMB27.8 million as compared to RMB24.7 million for the six months ended 30 June 2025. We did not incur equity settled share-based expenses during the Reporting Period.

To promote employees' knowledge and technical expertise, the Group offers training programs to employees from time to time according to their job duties. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. The remuneration policy will be reviewed by the Board from time to time. In addition to basic remuneration, the Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement insurance, medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing funds.

OTHER INFORMATION

Use of Net Proceeds from Global Offering

The Company's shares were listed on the Main Board of the Stock Exchange on 15 December 2022 (the "**Listing Date**"). The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering of approximately HK$75.1 million (the "**Net Proceeds**"). As at 31 December 2025, the unutilized amount of the net proceeds was approximately HK$9.9 million.

Considering that the success of the Group is attributable to its products and the design, development and testing of the new molds and prototypes, the Board resolved to change the use of proceeds on 15 November 2024. For details, please refer to the announcement of the Company dated 15 November 2024 (the "**Reallocation Announcement**")

Set out below are details of the reallocation of the net proceeds, and the unutilized amount of the net proceeds up to 30 June 2026.

Planned use of net proceeds as stated in the Prospectus	Percentage of total Net Proceeds	Net Proceeds from the Global Offering	Unutilized amount of reallocated Net Proceeds as at the date of the Reallocation Announcement	Unutilized amount of reallocated Net Proceeds as at 1 January 2026	Utilized amount for the Reporting Period	Balance of Net Proceeds unutilized at 30 June 2026	Expected timeline of utilization
	%	*HK' million*	*HK' million*	*HK' million*	*HK' million*	*HK' million*	
Expansion of our production capacity	57.0	42.8	19.6	8.4	7.2	1.2	On or before September 2026
Construction of a new manufacturing facility, warehouse and other supporting facilities	36.2	27.2	N/A	N/A	N/A	N/A	N/A
Design, development and testing of our new molds and prototypes	6.8	5.1	14.2	1.5	1.5	0	On or before September 2026
General Working Capital	–	–	13.0	–	N/A	N/A	On or before September 2026
Total	**100.0**	**75.1**	**46.8**	**9.9**	**8.7**	**1.2**	

The unutilized Net Proceeds are placed in licensed banks in PRC and Hong Kong as at the date of this announcement.

Interim Dividend

The board of directors of the Company has resolved not to declare an interim dividend in respect of the six months ended 30 June 2026.

Corporate Governance Practices

The Company is committed to maintaining a high level of corporate governance in order to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 of the Listing Rules as its own corporate governance code. The Board believes that good corporate governance could lead the Company to success and balance the interests of Shareholders, customers and employees, and the Board is therefore devoted to ongoing reviews and enhancements of the efficiency and effectiveness of compliance with such principles and practices.

From 1 January 2026 and up to the date of this announcement, the Company has complied with all applicable code provisions under Part 2 of the Corporate Governance Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code from 1 January 2026 and up to the date of this announcement.

Purchase, Sale or Redemption of the Listed Securities or Sale of Treasury Shares

From 1 January 2026 and up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities or sold any treasury shares. As at 30 June 2026, the Company did not hold any treasury shares.

Changes to Directors' Information

From 1 January 2026 and up to the date of this announcement, there is no change to the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Supplemental information to the Company's Annual Report for the year ended 31 December 2025

No share options have been granted under the share option scheme of the Company adopted on 18 November 2022 (the "**Share Option Scheme**") since its adoption and up to 31 December 2025. The total number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year ended 31 December 2025 was 100,000,000 options (i.e. 100,000,000 shares which may be issued under the Share Option Scheme).

Event After the Reporting Period

As at the date of this announcement, the Group has no important events which occurred after the end of the Reporting Period that are required to be disclosed.

Audit Committee

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Yeung Man Simon (Chairman), Mr. Chen Jingeng and Mr. Ren Guodong. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has, together with the senior management of the Company, reviewed the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters, including a review of the interim financial information for the six months ended 30 June 2026. The Audit Committee has also reviewed this announcement.

Independent Review of Auditor

The interim financial information for the six months ended 30 June 2026 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements No. 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the interim report to be published.

Publication of Interim Results and 2026 Interim Report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at http://bywheel.com. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules.

By Order of the Board
Buyang International Holding Inc
Xu Buyun
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Ms. Xu Jingjun, Mr. Ying Yonghui and Ms. Hu Huijuan as executive Directors; Mr. Xu Buyun and Mr. Zhu Ning as non-executive Directors; and Mr. Yeung Man Simon, Mr. Chen Jingeng and Mr. Ren Guodong as independent non-executive Directors.